

# CalPERS

## Asset Allocation as of June 30, 2008

Total Fund Market Value: **\$239,232,557,290**

	Global Equity	Domestic Equity	International Equity	Global Fixed	Domestic Fixed	International Fixed	AIM	Real Estate	Inflation Linked <sup>5</sup>	Cash <sup>1</sup>	Total Fund
<b>Strategic Target Range %</b>	<b>51-61%</b>			<b>14-24%</b>			<b>7-13%</b>	<b>7-13%</b>	<b>0-5%</b>		
Strategic Target %	56.0%	28.0%	28.0%	19.0%	17.0%	2.0%	10.0%	10.0%	5.0%	0.0%	N/A
Cash Market Investment %	51.9%	30.0%	22.0%	24.7%	22.6%	2.1%	10.3%	9.9%	2.0%	1.2%	N/A
Tactical Overlay % <sup>4</sup>	0.9%	0.4%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(0.9%)	N/A
Effective Investment %	52.9%	30.4%	22.5%	24.7%	22.6%	2.1%	10.3%	9.9%	2.0%	0.2%	N/A
<b>Variance % (Strategic vs. Effective)</b>	<b>(3.1%)</b>	<b>2.4%</b>	<b>(5.5%)</b>	<b>5.7%</b>	<b>5.6%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>(0.1%)</b>	<b>(3.0%)</b>	<b>0.2%</b>	N/A
Strategic Target \$ <sup>2,3</sup>	\$134.0	\$67.0	\$67.0	\$45.5	\$40.7	\$4.8	\$23.9	\$23.9	\$12.0	\$0.0	\$239.2
Cash Market Investment \$ <sup>2</sup>	\$124.2	\$71.7	\$52.5	\$59.1	\$54.2	\$4.9	\$24.8	\$23.6	\$4.7	\$2.9	\$239.2
Tactical Overlay \$ <sup>2,4</sup>	\$2.3	\$1.0	\$1.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$2.3)	N/A
Effective Investment \$ <sup>2,3</sup>	\$126.5	\$72.7	\$53.8	\$59.1	\$54.2	\$4.9	\$24.8	\$23.6	\$4.7	\$0.6	\$239.2
<b>Variance \$(Strategic vs. Effective) <sup>2,3</sup></b>	<b>(\$7.5)</b>	<b>\$5.7</b>	<b>(\$13.2)</b>	<b>\$13.7</b>	<b>\$13.5</b>	<b>\$0.2</b>	<b>\$0.8</b>	<b>(\$0.3)</b>	<b>(\$7.3)</b>	<b>\$0.6</b>	N/A
% Passive	63.8%	67.2%	59.2%	0.0%	0.0%	0.0%	0.0%	4.1%	0.0%	0.0%	33.1%
% Active	36.2%	32.8%	40.8%	100.0%	100.0%	100.0%	100.0%	95.9%	100.0%	100.0%	66.9%
% Internal	71.5%	76.5%	64.6%	91.6%	100.0%	0.0%	0.0%	4.1%	63.8%	100.0%	62.6%
% External	28.5%	23.5%	35.4%	8.4%	0.0%	100.0%	100.0%	95.9%	36.2%	0.0%	37.4%

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\* When summing amounts on this report, there may be breakage.

\* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

<sup>1</sup> Cash includes SMIF at STO.

<sup>2</sup> (\$ Billion)

<sup>3</sup> Based upon Trade Date Accounting as recommended by CFA Institute GIPS Standards.

<sup>4</sup> Approximately \$2.3 Billion notional in Equity Futures were purchased to equitize cash.

<sup>5</sup> Commodities plus collateral: \$1,475,210,383

Private Market Commitment as of June 30, 2008							
AIM				Real Estate			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$24.75	10.35%	7-13%	Fair Market Value (FMV)	\$23.64	9.88%	7-13%
Unfunded Commitment	<u>\$26.90</u>	<u>11.24%</u>		Unfunded Commitment (as of 5/31/08)	<u>\$14.78</u>	<u>6.18%</u>	
<b>Fair Market Value plus Unfunded Commitment</b>	<b>\$51.65</b>	<b>21.59%</b>		<b>Fair Market Value plus Unfunded Commitment</b>	<b>\$38.42</b>	<b>16.06%</b>	
Infrastructure				Forestland			
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range
Fair Market Value (FMV)	\$ .10	0.04%	0-0.6%	Fair Market Value (FMV)	\$1.61	0.67%	0-0.5%
Unfunded Commitment (as of 5/31/08)	<u>\$ .30</u>	<u>0.13%</u>		Unfunded Commitment (as of 5/31/08)	<u>\$ .18</u>	<u>0.07%</u>	
<b>Fair Market Value plus Unfunded Commitment</b>	<b>\$ .40</b>	<b>0.17%</b>		<b>Fair Market Value plus Unfunded Commitment</b>	<b>\$1.78</b>	<b>0.75%</b>	

# CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 6/30/2008

Company Name	Equity Exposure			Total Equity Market Value	Fixed Income Exposure			Total FI Market Value	Real Estate	TOTAL Market Value	% of Total Fund <sup>(3)</sup>
	Internally Managed		Externally Managed		Internal	External	Sec. Lending <sup>(2)</sup>		Exposure <sup>(1)</sup>		
	Active	Passive	Active								
GENERAL ELECTRIC	159,063,886	767,782,689	116,761,677	1,043,608,252	575,060,154	20,634,720	693,028,258	1,288,723,132		2,332,331,384	0.69%
EXXON MOBIL CORP	256,503,951	1,402,483,282	227,873,335	1,886,860,568				0		1,886,860,568	0.79%
CITIGROUP INC	39,510,963	254,383,280	57,554,276	351,448,519	509,160,317	16,200,063	266,884,475	792,244,855		1,143,693,374	0.37%
JPMORGAN CHASE & CO	59,983,521	334,914,212	78,741,587	473,639,320	535,462,484	46,013,291		581,475,775	42,279,000	1,097,394,095	0.46%
BERKSHIRE HATHAWAY	190,515,640	549,654,000	724,500	740,894,140	352,908,074			352,908,074		1,093,802,214	0.46%
WAL MART STORES INC	156,776,981	668,605,780	90,228,613	915,611,374	158,786,460			158,786,460		1,074,397,834	0.45%
BANK OF AMERICA CORP	44,717,986	310,708,629	58,636,225	414,062,840	574,451,197	24,702,937		599,154,134		1,013,216,974	0.42%
MICROSOFT CORP	108,374,462	762,453,405	130,500,590	1,001,328,457				0		1,001,328,457	0.42%
CHEVRONTXACO CORP	130,240,563	616,529,122	143,453,600	890,223,285				0		890,223,285	0.37%
AT&T INC	114,518,206	600,261,468	128,774,466	843,554,140				0		843,554,140	0.35%
ROYAL DUTCH SHELL		565,879,261	241,430,473	807,309,734				0		807,309,734	0.34%
CONOCOPHILLIPS	87,017,480	429,173,585	77,380,639	593,571,704	206,731,121			206,731,121		800,302,825	0.33%
PROCTER + GAMBLE CO	96,330,702	559,464,162	71,411,737	727,206,601				0		727,206,601	0.30%
AMERICAN INTL GROUP INC	30,018,103	199,939,698	27,128,909	257,086,710	346,602,893	2,635,148	100,046,000	449,284,041		706,370,751	0.25%
VERIZON COMMUNICATIONS INC.	32,800,082	295,395,300	50,164,030	378,359,412	302,736,148	2,724,320		305,460,468		683,819,880	0.29%
JOHNSON + JOHNSON	79,624,031	544,663,836	58,114,076	682,401,943				0		682,401,943	0.29%
GOOGLE INC	114,704,286	492,150,058	74,452,633	681,306,977				0		681,306,977	0.28%
HSBC HOLDINGS PLC		407,385,776	120,388,146	527,773,922	122,761,874	9,635,849		132,397,723		660,171,645	0.28%
INTERNATIONAL BUSINESS MACHINES	72,374,181	471,168,603	103,719,795	647,262,579	796,000	7,249,292		8,045,292		655,307,871	0.27%
ENI	179,234,566	228,371,385	227,032,609	634,638,560				0		634,638,560	0.27%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

(2) Does not include Repos

(3) Excludes securities lending exposure

# TARGET PERCENTAGE COMPARISON

## ASSET ALLOCATION <sup>1</sup>

As of June 30, 2008

(A)	(B)	(C)	(D)	(E)	(F)
<u>Asset Class</u>	<u>Cash Market Allocation</u> (%)	<u>Effective Allocation</u> (%)	<u>Target<sup>2</sup></u> (%)	<u>Target Range<sup>2</sup></u>	<u>Difference (C-D)</u> (%)
Domestic Equity <sup>3</sup>	30.0	30.4	28.0		2.4
International Equity	<u>22.0</u>	<u>22.5</u>	<u>28.0</u>		<u>-5.5</u>
<b>Global Equity</b>	51.9	52.9	56.0	51-61%	-3.1
Domestic Fixed Income	22.6	22.6	17.0		5.6
International Fixed Income	<u>2.1</u>	<u>2.1</u>	<u>2.0</u>		<u>0.1</u>
<b>Global Fixed Income</b>	24.7	24.7	19.0	14-24%	5.7
<b>AIM</b>	10.3	10.3	10.0	7-13%	0.3
<b>Real Estate</b>	9.9	9.9	10.0	7-13%	-0.1
<b>Inflation Linked</b>	2.0	2.0	5.0	0-5%	-3.0
<b>Cash Equivalents</b>	1.2	0.2	0.0		0.2
<b>Total Fund</b>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>		

<sup>1</sup> As allocated to managers.

<sup>2</sup> Asset Allocation Targets approved by Investment Committee in December 2007.

<sup>3</sup> Included is MDP Investment: LM Capital Investment: Total Market Value=\$205.2 million.

\* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

# TARGET DOLLAR COMPARISON ASSET ALLOCATION

As of June 30, 2008

(A) <u>Asset Class</u>	(B) <u>Cash Market Allocation</u> (\$ Billion)	(C) <u>Effective Allocation</u> (\$ Billion)	(D) <u>Target<sup>1</sup></u> (\$ Billion)	(E) <u>Difference (C-D)</u> (\$ Billion)
Domestic Equity <sup>2</sup>	71.7	72.7	67.0	5.7
International Equity	<u>52.5</u>	<u>53.8</u>	<u>67.0</u>	<u>-13.2</u>
<b>Global Equity</b>	124.2	126.5	134.0	-7.5
Domestic Fixed Income	54.2	54.2	40.7	13.5
International Fixed Income	<u>4.9</u>	<u>4.9</u>	<u>4.8</u>	<u>0.2</u>
<b>Global Fixed Income</b>	59.1	59.1	45.5	13.7
<b>AIM</b>	24.8	24.8	23.9	0.8
<b>Real Estate</b>	23.6	23.6	23.9	-0.3
<b>Inflation Linked</b>	4.7	4.7	12.0	-7.3
<b>Cash Equivalents</b>	2.9	0.6	0.0	0.6
<b>Total Fund</b>	<u><u>239.2</u></u>	<u><u>239.2</u></u>	<u><u>239.2</u></u>	

<sup>1</sup> Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee December 2007

<sup>2</sup> Included is MDP Investment: LM Capital Investment: Total Market Value= **\$205.2 million**.

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**MONTHLY PROGRESS REPORT**  
**ASSET ALLOCATION** <sup>1</sup>  
As of June 30, 2008

(A)	(B)	(C)	(D)	(E)
<u>Asset Class</u>	<u>5/31/2008 Effective Allocation (\$ Billion)</u>	<u>6/30/2008 Effective Allocation (\$ Billion)</u>	<u>Difference (C-B) (\$ Billion)</u>	<u>Target<sup>2</sup> (\$ Billion)</u>
Domestic Equity <sup>3</sup>	79.0	72.7	-6.3	67.0
International Equity	<u>57.9</u>	<u>53.8</u>	<u>-4.1</u>	<u>67.0</u>
<b>Global Equity</b>	<b>136.9</b>	<b>126.5</b>	<b>-10.4</b>	<b>134.0</b>
Domestic Fixed Income	55.2	54.2	-1.0	40.7
International Fixed Income	<u>5.4</u>	<u>4.9</u>	<u>-0.5</u>	<u>4.8</u>
<b>Global Fixed</b>	<b>60.6</b>	<b>59.1</b>	<b>-1.5</b>	<b>45.5</b>
<b>AIM</b>	<b>24.6</b>	<b>24.8</b>	<b>0.2</b>	<b>23.9</b>
<b>Real Estate</b>	<b>22.1</b>	<b>23.6</b>	<b>1.5</b>	<b>23.9</b>
<b>Inflation Linked</b>	<b>4.0</b>	<b>4.7</b>	<b>0.7</b>	<b>12.0</b>
<b>Cash Equivalents</b>	<b>-0.3</b>	<b>0.6</b>	<b>0.9</b>	<b>0.0</b>
<b>Total Fund</b>	<u><b>248.1</b></u>	<u><b>239.2</b></u>	<u><b>-8.9</b></u>	<u><b>239.2</b></u>

<sup>1</sup> Monthly progress report toward policy targets.

<sup>2</sup> Based upon Strategic Asset Allocation Target Percentage of total fund, approved by Investment Committee December 2007

<sup>3</sup> Included is MDP Investment: LM Capital Investment: Total Market Value=\$205.2 million.

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## BOOK VS MARKET VALUE

As of June 30, 2008

(A) <u>Asset Class</u>	(B) <u>Book Value</u> (\$ Billion)	(C) <u>Market Value</u> (\$ Billion)	(D) Effective <u>Market Value</u> (\$ Billion)	(E) Difference <u>(C - B)</u> (\$ Billion)
Domestic Equity <sup>1</sup>	49.3	71.7	72.7	22.4
International Equity	<u>49.1</u>	<u>52.5</u>	<u>53.8</u>	<u>3.4</u>
<b>Global Equity</b>	98.3	124.2	126.5	25.9
Domestic Fixed Income	50.7	54.2	54.2	3.4
International Fixed Income	<u>4.7</u>	<u>4.9</u>	<u>4.9</u>	<u>0.2</u>
<b>Global Fixed Income</b>	55.5	59.1	59.1	3.6
<b>AIM</b>	23.7	24.8	24.8	1.1
<b>Real Estate</b>	20.8	23.6	23.6	2.8
<b>Inflation Linked</b>	4.3	4.7	4.7	0.4
<b>Cash Equivalents</b>	2.8	2.9	0.6	0.0
<b>Total Fund</b>	<u><u>205.5</u></u>	<u><u>239.2</u></u>	<u><u>239.2</u></u>	<u><u>33.7</u></u>

<sup>1</sup> Included is MDP Investment- LM Capital Investment: Total Book Value= **\$205.7 million**, Total Market Value=**\$205.2 million**.

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# GROSS PERFORMANCE VS EXPECTED RETURNS

One Year  
July 1, 2007 to June 30, 2008

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return<sup>1</sup></u>	<u>Expected Standard Deviation<sup>1</sup></u>	<u>One Standard Deviation Range</u>
	(%)	(%)	(%)	(%)	(%)	(%)
Domestic Equity	30.0	30.4	-12.4	7.00	15.50	-8.50 - 22.50
International Equity	22.0	22.5	-7.8	7.00	17.50	-10.50 - 24.50
<b>Global Equity</b>	51.9	52.9	-10.7			
Domestic Fixed Income	22.6	22.6	6.5			
International Fixed Income	2.1	2.1	17.7			
<b>Global Fixed Income</b>	24.7	24.7	7.7	3.00	6.50	-3.50 - 9.50
<b>AIM</b>	10.3	10.3	19.6	10.00	25.00	-15.00 - 35.00
<b>Real Estate</b>	9.9	9.9	8.1	6.00	17.00	-11.00 - 23.00
<b>Inflation Linked</b>	2.0	2.0	22.9 <sup>2</sup>	4.00	5.75	-1.75 9.75
<b>Cash Equivalents</b>	1.2	0.2	-9.3	1.25	1.50	-0.25 - 2.75
<b>Total Fund</b>	<u>100.0</u>	<u>100.0</u>	<u>-2.4</u>	<u>8.46</u>	<u>11.40</u>	<u>-2.94 - 19.86</u>

<sup>1</sup> Investment Committee Meeting December 2007

<sup>2</sup> Nine month return for Inflation Linked Asset Class

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# NET PERFORMANCE VS EXPECTED RETURNS

One Year  
July 1, 2007 to June 30, 2008

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>Asset Class</u>	<u>Cash Market Allocation</u>	<u>Effective Allocation</u>	<u>Asset Return</u>	<u>CalPERS Long-Term Expected Annual Return<sup>1</sup></u>	<u>Expected Standard Deviation</u>	<u>One Standard Deviation Range</u>
	(%)	(%)	(%)	(%)	(%)	(%)
Domestic Equity	30.0	30.4	-12.5	7.00	17.00	-10.00 - 24.00
International Equity	<u>22.0</u>	<u>22.5</u>	-7.8	7.00	19.50	-12.50 - 26.50
<b>Global Equity</b>	51.9	52.9	-10.7			
Domestic Fixed Income	22.6	22.6	6.5			
International Fixed Income	<u>2.1</u>	<u>2.1</u>	17.6			
<b>Global Fixed Income</b>	24.7	24.7	7.7	3.00	7.00	-4.00 - 10.00
<b>AIM</b>	10.3	10.3	19.6	10.00	35.00	-25.00 - 45.00
<b>Real Estate</b>	9.9	9.9	5.9	6.00	14.00	-8.00 - 20.00
<b>Inflation Linked</b>	2.0	2.0	22.3 <sup>2</sup>	4.00	5.75	-1.75 9.75
<b>Cash Equivalents</b>	1.2	0.2	-9.3	1.25	1.10	0.15 - 2.35
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<b>Total Fund</b>	<u>100.0</u>	<u>100.0</u>	<u>-2.6</u>	<u>8.46</u>	<u>11.40</u>	<u>-2.94 - 19.86</u>

<sup>1</sup> Investment Committee Meeting December 2007

<sup>2</sup> Nine month return for Inflation Linked Asset Class

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**GROSS RETURNS**  
**One Year**  
**July 1, 2007 to June 30, 2008**

	(A)	(B)	(C)
<u>Asset Class</u>	<u>Reported Gross Return</u>	<u>Expenses</u>	<u>Net Return (A-B)</u>
Domestic Equity	-12.42%	0.04%	-12.46%
International Equity	-7.76%	0.06%	-7.82%
<b>Global Equity</b>	<b>-10.66%</b>	<b>0.07%</b>	<b>-10.73%</b>
Domestic Fixed Income	6.47%	0.00%	6.47%
International Fixed Income	17.71%	0.08%	17.63%
<b>Global Fixed Income</b>	<b>7.70%</b>	<b>0.00%</b>	<b>7.70%</b>
<b>AIM</b>	<b>19.56%</b>	<b>0.01%</b>	<b>19.55%</b>
<b>Real Estate</b>	<b>8.12%</b>	<b>2.27%</b>	<b>5.85%</b>
<b>Inflation Linked</b>	<b>22.94%<sup>1</sup></b>	<b>0.64%</b>	<b>22.30%<sup>1</sup></b>
<b>Cash Equivalents</b>	<b>-9.32%</b>	<b>0.00%</b>	<b>-9.32%</b>
<b>Total Fund</b>	<b>-2.41%</b>	<b>0.21%</b>	<b>-2.62%</b>

<sup>1</sup> Nine month return for Inflation Linked Asset Class

# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending June 30, 2008

## CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
<b>TOTAL DOMESTIC EQUITY</b>	30.0	71,854,552	-7.76	-1.24	-12.42	-12.42	4.99	8.52	3.73
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			-8.16	-1.45	-11.99	-11.99	5.05	8.50	3.31
<b>TOTAL INTL EQUITY</b>	21.9	52,508,615	-7.98	-1.06	-7.76	-7.76	15.25	18.78	7.62
<i>CALPERS FTSE ALL-WORLD EX US</i>			-8.47	-1.33	-6.63	-6.63	15.86	19.08	7.59
<b>TOTAL GLOBAL EQUITY</b>	51.8	123,854,576	-7.85	-1.15	-10.66	-10.66	8.59	12.05	5.10
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-8.26	-1.41	-10.15	-10.15	8.62	11.96	4.76
<b>TOTAL DOMESTIC FIXED INCOME</b>	22.6	54,164,259	-0.20	-1.25	6.47	6.47	4.11	4.90	6.42
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			0.15	-1.17	7.81	7.81	3.63	4.21	6.15
<b>TOTAL INTL FIXED INCOME</b>	2.1	4,940,655	0.22	-4.41	17.71	17.71	6.32	7.07	6.18
<i>CALPERS WORLD GOVT X US</i>			0.25	-4.67	17.49	17.49	6.50	6.99	6.63
<b>TOTAL GLOBAL FIXED INCOME</b>	24.7	59,107,580	-0.17	-1.54	7.70	7.70	4.36	5.23	6.42
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			0.16	-1.45	8.76	8.76	3.92	4.52	6.19
<b>TOTAL AIM COMPOSITE</b>	10.3	24,750,426	-0.54	1.79	19.56	19.56	20.64	19.42	12.11
<i>CUSTOM YOUNG FUND</i>			1.45	4.41	18.98	18.98	18.60	16.33	5.45
<b>TOTAL REAL ESTATE</b>	9.9	23,616,157	0.19	0.54	8.12	8.12	21.70	23.32	17.17
<i>NCREIF PROPERTY 1 QTR LAG (DAILY)</i>			1.60	1.60	13.58	13.58	16.75	15.07	12.63
<b>TOTAL INFLATION LINKED</b>	2.0	4,677,385	5.34	10.08					
<i>CPI + 400 BPS</i>			1.30	3.40					
<b>TOTAL CASH EQUIVALENTS</b>	1.2	2,831,789	-7.78	-3.57	-9.32	-9.32	1.28	1.44	3.02
<i>PERS CUSTOM STIF NET OF FEES</i>			0.21	0.64	4.18	4.18	4.60	3.35	3.76
<b>TOTAL FUND</b>	100.0	239,232,557	-4.41	-0.67	-2.41	-2.41	9.28	11.40	6.87
<i>CALPERS POLICY INDEX</i>			-4.32	-0.41	-1.63	-1.63	8.70	10.52	6.14
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-4.28	-0.61	-2.83	-2.83	8.48	10.48	6.17

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1)

Inflation Linked (SX2CA1); Cash Equivalents (SJVKE1); Total Fund (SJ1CA1)

Currency Overlay is not included in Global Equity. CPI return is estimated.

# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending June 30, 2008

## CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
<b>TOTAL DOMESTIC EQUITY</b>	30.0	71,854,552	-7.76	-1.24	-12.46	-12.46	4.93	8.47	3.69
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			-8.16	-1.45	-11.99	-11.99	5.05	8.50	3.31
<b>TOTAL INTL EQUITY</b>	21.9	52,508,615	-7.98	-1.07	-7.82	-7.82	15.18	18.70	7.56
<i>CALPERS FTSE ALL-WORLD EX US</i>			-8.47	-1.33	-6.63	-6.63	15.86	19.08	7.59
<b>TOTAL GLOBAL EQUITY</b>	51.8	123,854,576	-7.85	-1.16	-10.71	-10.71	8.53	12.00	5.06
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-8.26	-1.41	-10.15	-10.15	8.62	11.96	4.76
<b>TOTAL DOMESTIC FIXED INCOME</b>	22.6	54,164,259	-0.20	-1.25	6.47	6.47	4.11	4.89	6.41
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			0.15	-1.17	7.81	7.81	3.63	4.21	6.15
<b>TOTAL INTL FIXED INCOME</b>	2.1	4,940,655	0.21	-4.42	17.63	17.63	6.25	7.00	6.11
<i>CALPERS WORLD GOVT X US</i>			0.25	-4.67	17.49	17.49	6.50	6.99	6.63
<b>TOTAL GLOBAL FIXED INCOME</b>	24.7	59,107,580	-0.17	-1.54	7.70	7.70	4.35	5.21	6.41
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			0.16	-1.45	8.76	8.76	3.92	4.52	6.19
<b>TOTAL AIM COMPOSITE</b>	10.3	24,750,426	-0.54	1.79	19.55	19.55	20.62	19.41	12.10
<i>CUSTOM YOUNG FUND</i>			1.45	4.41	18.98	18.98	18.60	16.33	5.45
<b>TOTAL REAL ESTATE</b>	9.9	23,616,157	-0.17	0.18	5.85	5.85	17.71	19.12	14.54
<i>NCREIF PROPERTY 1 QTR LAG (DAILY)</i>			1.60	1.60	13.58	13.58	16.75	15.07	12.63
<b>TOTAL INFLATION LINKED</b>	2.0	4,677,385	5.30	10.04					
<i>CPI + 400 BPS</i>			1.30	3.40					
<b>TOTAL CASH EQUIVALENTS</b>	1.2	2,831,789	-7.78	-3.57	-9.32	-9.32	1.28	1.44	3.02
<i>PERS CUSTOM STIF NET OF FEES</i>			0.21	0.64	4.18	4.18	4.60	3.35	3.76
<b>TOTAL FUND</b>	100.0	239,232,557	-4.44	-0.70	-2.62	-2.62	9.00	11.11	6.68
<i>CALPERS POLICY INDEX</i>			-4.32	-0.41	-1.63	-1.63	8.70	10.52	6.14
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-4.28	-0.61	-2.83	-2.83	8.48	10.48	6.17

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDKA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1)

Inflation Linked (SX2CA1); Cash Equivalents (SJVKE1); Total Fund (SJ1CA1)

Currency Overlay is not included in Global Equity. CPI return is estimated.

**CALPERS INVESTMENTS IN CALIFORNIA as of June 30, 2008**

(A)	(B)	(C)	(D)	(E)	(F)
	Portfolio	California		CA Investment	
	Value	Investments		as % of	
		plus Additional	California	Asset Class	
<u>Asset Class</u>	<u>(\$ millions)</u>	<u>Commitments<sup>1</sup></u>	<u>Investments</u>	<u>(D/B)</u>	<u>Program Description or Assumption</u>
		<u>(\$ millions)</u>	<u>(\$ millions)</u>	<u>%</u>	
<b>EQUITY</b>					
Domestic Equity	71,681.1	9,981.1	9,981.1	14	CA investment is approximately 14%
International Equity	<u>52,521.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
<b>Global Equity</b>	<b>124,202.1</b>	<b>9,981.1</b>	<b>9,981.1</b>	<b>8 %</b>	
<b>FIXED INCOME</b>					
Domestic Fixed Income	54,164.3	5,777.5	5,777.5	11	
International Fixed Income	<u>4,943.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0</u>	
<b>Global Fixed Income</b>	<b>59,107.6</b>	<b>5,777.5</b>	<b>5,777.5</b>	<b>10 %</b>	
<b>AIM</b>					
<b>AIM</b>	<b>24,750.4</b>	<b>2,000.0</b>	<b>2,000.0</b>	<b>8 %</b>	Includes commitments through June 30, 2008
<b>REAL ESTATE</b>					
<b>Real Estate</b>	<b>23,637.5</b>	<b>9,478.4</b>	<b>6,213.8</b>	<b>26 %</b>	Outstanding commitments (column C-column D/column B): 13.8%
<b>INFLATION LINKED</b>					
<b>Inflation Linked</b>	<b>4,677.4</b>	<b>200.0</b>	<b>0.0</b>	<b>0 %</b>	
<b>CASH / CASH EQUIVALENTS</b>					
<b>Cash / Cash Equivalents</b>	<b>2,857.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0 %</b>	On deposit at the Treasurer's Office: \$943.65
<b>TOTAL FUND</b>	<b>239,232.6</b> =====	<b>27,437.1</b> =====	<b>23,972.5</b> =====	<b>10 %</b> =====	Outstanding commitments (column C/column B): 11.5%

<sup>1</sup> Total actual investments at market value and outstanding program commitments in California

Note: Due to reporting constraints, the California Investments in Real Estate reported are as of April 30, 2008